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ABSTRACT

Section 401 of Title IV of the Job Training Partnership Act established an employment and training program to serve Indians, Alaska Natives, and Hawaii Natives that is administered by the Department of Labor. Since 1992 a Native American Employment and Training Council, composed entirely of Native Americans, has advised Labor on a variety of activities affecting the program. The 182 grantees approved by Labor provide employment and training services to eligible Native Americans nationwide. A major factor in the deterioration of the Native American relationship with Labor was a proposal to change program regulations without closely conferring with grantees, as the act requires. Labor officials, on the other hand, believed that in recent years the grantees were uncooperative and unreceptive to any program changes. Labor pledged to withdraw all prior versions of the draft regulations and promised that any new regulations would be developed with the assistance of the Native American community. A review of expenditures for 7 of the 182 grantees in program year 1991 indicated that 40 percent of funds were spent for training activities. The remaining funds were spent on program administration, work experience and community service activities, and participant support activities. Appendices contain the scope, methodology, and results of the study; numerous tables, figures, and bar graphs depicting participant characteristics, services provided, outcomes, and funding allocation; and comments from the Department of Labor. (KS)

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United States General Accounting Office

GAO

Report to Congressional Requesters

March 1994

ED 368 523

# JOB TRAINING PARTNERSHIP ACT

## Labor Title IV Initiatives Could Improve Relations With Native Americans

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**United States**
**General Accounting Office**
**Washington, D.C. 20548**

**Health, Education, and**
**Human Services Division**

B-252704

March 4, 1994

The Honorable William D. Ford
Chairman, Committee on Education and Labor
House of Representatives

The Honorable Pat Williams
Chairman, Subcommittee on Labor-Management Relations
Committee on Education and Labor
House of Representatives

This report responds to your request for information on the Indian and Native American job training program authorized under title IV of the Job Training Partnership Act (JTPA). Specifically, we are providing you with information on (1) the history of the relationship between the Department of Labor and the Native American community with respect to the Native American employment and training program and (2) the extent to which JTPA funds are used to provide training services, one of four allowable cost categories under that program. You also requested that we examine the points of disagreement between the Department of Labor and Native Americans over proposed changes to program regulations and the reasonableness of such changes. Because Labor recently agreed to withdraw the draft regulations, the specific points of contention are no longer relevant and, therefore, not addressed in this report.

In carrying out our work, we met with officials from Labor having responsibility for the Native American job training program. We also met with representatives of the JTPA Native American Programs Advisory Committee (a committee of Native Americans established by Labor to serve as the principal vehicle for consultation between Native American JTPA grantees and Labor) and the Indian and Native American Employment and Training Coalition (a private, nonprofit organization that serves as an informal information network for Native American grantees). In addition, we visited 7 of the 182 Native American grantees to obtain local program information. We selected locations that provided geographic dispersion; variation in type of grantees (reservation, urban, and rural); and variation in amount of funds received from the $60 million program, which ranged from $248,000 at one grantee to $1.2 million at another. We also met with representatives of three smaller grantees receiving less than $200,000. (See app. I for a more detailed discussion of our scope and methodology.)

## Results in Brief

The once cooperative relationship between Labor and the Native American community with respect to the job training program for Native Americans has deteriorated over the past decade. The primary factor cited by Native Americans as contributing to this deterioration was Labor's lack of sensitivity to the unique situation and needs of Native Americans. Labor's attempts in the past year to issue new regulations for this program brought to the forefront the deterioration of their relationship from one of cooperation to one of confrontation. The Native American community believed that these proposed program revisions were undertaken without the consultation required under JTPA and that these changes would significantly alter the nature and effectiveness of the program. Furthermore, Native Americans felt that the proposed changes were directed at correcting unsubstantiated problems.

Labor recently initiated a dialogue with representatives from the Native American community to obtain their perspective on issues confronting the Native American program and to establish a new partnership. Labor withdrew the planned program regulatory changes and promised Native American representatives that Labor would (1) work closely with Native American groups in developing legislatively mandated changes and (2) base any additional changes on an independent program evaluation after seeking Native American collaboration and assistance in the evaluation.

You also requested information on the amount of JTPA Native American job training program funds being spent on training services. Based on our review of the program year[1] 1991 expenditures for 7 of the 182 Native American program grantees, we determined that they spent, on average, 40 percent of their funds for training activities. The remaining funds were spent on other allowable activities such as program administration, work experience[2] and community service[3] activities, and participant support services. Across the seven grantees, the amount spent on training ranged from 14 to 61 percent of their funds. According to grantees, geographic isolation and poor economic conditions play a part in determining how

[1]JTPA operates on a program year basis which begins on July 1 and ends on June 30 of the following year. A program year is designated by the year in which it begins. Thus, program year 1991 includes the period July 1, 1991, to June 30, 1992.

[2]Work experience provides short-term or part-time work designed to develop good work habits and basic work skills.

[3]Community service employment is the type of work normally provided by state and local government and includes such fields as crime prevention and control, trash removal, maintenance of parks and streets, and conservation activities.

much of their grant funds they spend on various program activities such as classroom training, work experience, or support services.

## Background

JTPA provides employment-seeking skills and job training services to economically disadvantaged adults and youth and certain other individuals to enable them to enter the labor force. The act provides for such services under three separate titles. Title II serves economically disadvantaged adults and youth; title III serves dislocated workers; and title IV serves special targeted groups, including Native Americans, migrant and seasonal farmworkers, and veterans. For the most part, state and local entities administer titles II and III, while the Department of Labor administers title IV.

Section 401 of title IV established an employment and training program to serve Indians, Alaskan Natives, and Hawaiian Natives (hereafter referred to collectively as Native Americans). This program was included under the Comprehensive Employment and Training Act of 1973 and incorporated into JTPA in 1982. The Congress believed that such a program was essential to addressing the serious unemployment and economic conditions affecting Native Americans. Under JTPA, Labor is to administer the program in a manner that maximizes the government's commitment to support growth and development as determined by representatives of the communities and groups served.

Native American employment and training programs are administered by the Division of Indian and Native American Programs within the Office of Special Targeted Programs, Employment and Training Administration (ETA), Department of Labor. However, other offices within ETA also have responsibility for various aspects of the program. In October 1988, Labor established the JTPA Native American Programs Advisory Committee to provide advice on rules, regulations, and performance standards developed for the Native American program under JTPA. Subsequently, the 1992 JTPA amendments established a Native American Employment and Training Council, which replaced the Program Advisory Committee, to advise Labor on a variety of activities affecting the Native American program. According to Labor, the Council has been duly chartered and all of the members appointed are Native Americans.

The 182 grantees approved by Labor provide employment and training services to eligible Native Americans nationwide. (See app. II for an overview of participants, services, and outcomes at the seven local

programs we visited.) During the past several years, the program has been funded at about $60 million annually. Funding for individual grantees varies significantly, depending on the size of the population served. In 1992, individual grants ranged from about $16,000 to the Metlakatla Indian community in Alaska to nearly $7 million to the Navajo tribe in Arizona. Approximately half of the Native American grantees received over $200,000.

## History of Labor-Native American Relationship

Labor's new Assistant Secretary for Employment and Training recently stated his intention to develop a relationship with the Native American community that will be characterized by honesty, trust, and open communication. This is in marked contrast to the relationship that evolved between Labor and the Native American community over the past several years.

A major factor in the deterioration of the Native American relationship with Labor was the grantees' perception of Labor as being dictatorial, patronizing, and insensitive to the unique needs of Native Americans. Furthermore, according to Native American representatives, Labor's proposal to change program regulations after enactment of the 1992 JTPA amendments exacerbated the situation. They stated that it was the first time in 20 years that Labor had attempted to implement regulations without closely conferring with grantees and permitting their review of the draft regulations at every step of the process.

The act requires Labor to consult with Native American representatives prior to prescribing rules and regulations required to meet the special circumstances under which the Native American program operates. Native Americans did not consider meetings held with Labor officials to discuss draft regulatory changes to be consultative because these discussions occurred after Labor had made and cleared decisions. In contrast, Native American representatives pointed to a process carried out following the enactment of JTPA in 1982, whereby Labor and a group of Native American grantees sat together to craft implementing regulations.

Labor officials, on the other hand, believed that in recent years the grantees were uncooperative and unreceptive to any program changes. Furthermore, they believed that they had complied with JTPA requirements by discussing proposed changes at several meetings with representatives of the JTPA Native American Programs Advisory Committee and other Native American grantees.

This poor relationship was a major impediment to getting new regulations implemented for the Native American program. While Labor believed that the proposed changes were needed to improve program quality and strengthen program accountability, the Native American community distrusted Labor's motives for revising regulations and were incensed about being excluded from the developmental process. According to several Native American representatives, if Labor had presented the proposed changes in a different manner and worked with Native American representatives, much of the antagonism could have been avoided.

From Labor's perspective, Labor patterned many of the proposed changes after those legislatively mandated by the 1992 JTPA amendments for title II. Native Americans, however, questioned Labor's attempts to make the two programs similar, insisting that if the Congress wanted to impose the new title II requirements on the Native American program, it would have done so in the 1992 amendments. In addition, they questioned the appropriateness of adopting requirements developed for title II without considering the special circumstances and needs of Native Americans.

In August 1993, we discussed the preliminary results of our study with Labor officials. Subsequently, Labor officials met with representatives of the Native American community to "forge a new partnership." At that meeting Labor pledged to withdraw all prior versions of the draft regulations and promised that any new regulations would be developed with the assistance of the Native American community. Further, Labor said it intends to launch an independent evaluation in program year 1995 of the Indian and Native American employment and training program and indicated it will seek the Native American community's collaboration and assistance in this evaluation. Finally, Labor has also awarded a grant to a Native American program grantee to assist in developing and testing an electronic communications network that would permit grantees and Council members to communicate instantly with Labor as well as with each other.

## Native American Program Management Structure

Native American representatives contend that Labor's program management is fragmented, creating confusion, frustration, and administrative burdens. Although Labor's Division of Indian and Native American Programs has primary responsibility for the administration of the Native American program, as many as eight other offices within ETA also have responsibility for, and authority over, various aspects of the program. For example, four different offices have some oversight and

monitoring responsibility. Furthermore, in the view of Native American grantees, most individuals in these offices have little knowledge about Native American culture and programs.

The Assistant Secretary for Employment and Training said he plans to restructure the management of the Native American job training program as required by the 1992 JTPA amendments. The amendments require Labor to designate "a single organizational unit that shall have as its primary responsibility the administration of all Native American programs authorized under this Act." The Assistant Secretary stated at a September 1993 congressional hearing[4] that, in designating such a unit, he intended to consolidate functions so that the Native American community will have a single point of contact to the extent practicable. He is considering how best to structure such a unit within ETA. Native American grantees would like the single organizational unit to be headed by a Native American or someone with first-hand knowledge of Native American culture and programs. Furthermore, they would like the unit to report directly to the Assistant Secretary for Employment and Training.

## Training Expenditures

The amount of program year 1991 grant funds spent on training ranged from 14 percent to 61 percent at the seven Native American grantees we visited. Grantees used the remainder for program administration and other activities such as work experience, community service employment, and supportive services. Training expenditures also varied within individual grantee programs, depending upon which program costs were included in the training cost category. Using the current Native American job training program definition of allowable costs chargeable to training, the seven grantees, on average, used about 40 percent of program year 1991 expenditures for training services. Labor had proposed changing the definition of training for the Native American program (modeled after the definition of training costs specified in the 1992 JTPA amendments for the title II program). Using the proposed definition, about 65 percent of the seven grantees' program year 1991 expenditures would have been for training services. The primary reason for the higher training expenditures under the 1992 definition is the inclusion of costs associated with work experience and community service employment as allowable training costs. (See app. III for a detailed discussion of the classification of training under the two definitions.)

[4]Joint hearing before the Senate Committee on Indian Affairs and the Subcommittee on Employment and Productivity, Senate Committee on Labor and Human Resources, September 15, 1993.

## Agency and Other Comments and Our Evaluation

Labor provided written comments, dated January 10, 1994, on a draft of this report (see app. V). Labor stated that our report was somewhat subjective because Labor believed it was intended to present the views of the Native American grantee community. Our intention was not to present only the grantees' views. Rather, we intended to provide a balanced representation of the history of the relationship between Labor and the grantees from both perspectives, and we believe that we have done so. In so doing, we realize that the information developed consisted, for the most part, of the subjective views and perceptions of both groups.

Labor also cited actions that it has undertaken or proposed since the completion of our audit work in September 1993 to meet the requirements of the Job Training Reform Amendments of 1992, and we have included these in our report. Labor indicated that the assertion by Native American representatives that, in the past, program officials reported directly to the Assistant Secretary, ETA, was incorrect. We modified the report to eliminate this misconception.

Labor was concerned as well that our sample of participants terminating from the program was too limited to draw generalized conclusions or to discern the quality or effectiveness of the services provided. We agree with Labor and never intended to generalize the results from our seven site visits to the overall program or to use them to assess program quality or effectiveness. Rather, the site visits were intended merely to illustrate how local programs operate under varying circumstances. We have modified the report to clarify this point. We would like to point out, however, that the sample of terminees drawn at each site visited was a statistically valid sample and, therefore, representative of that site.

We also obtained oral comments on our draft report from the Chair of the Native American Employment and Training Council and her remarks were incorporated, where appropriate.

We are sending copies of this report to other congressional committees, the Secretary of Labor, and other interested parties.

Should you have any questions or need additional information, please contact me at (202) 512-7014. Major contributors to this report are listed in appendix VI.

Linda G. Morra
Director, Education and
Employment Issues

# Contents


| | | |
|---|---|---|
| Letter | | 1 |
| Appendix I Scope and Methodology | | 12 |
| Appendix II Participants, Services, and Outcomes of Seven Native American Grantees | | 16 |
| | Background | 16 |
| | Overview of the Native American Program at Seven Locations | 16 |
| | Participant Characteristics | 17 |
| | Services Provided | 24 |
| | Outcomes Achieved | 25 |
| Appendix III Amount of JTPA Funds Spent on Training | | 28 |
| Appendix IV Tables Supporting Bar Graphs in Report Text | | 32 |
| Appendix V Comments From the Department of Labor | | 36 |
| Appendix VI Major Contributors to This Report | | 39 |
| Tables | Table I.1: Native American Program Grantees Selected for Site Visits | 14 |
| | Table I.2: Other Native American Grantees Interviewed | 15 |

Table II.1: Program Year 1991 Terminees at Seven Grantees Visited 16
Table IV.1: Percent of Terminees That Were Adults 32
Table IV.2: Percent of Terminees That Were Female 32
Table IV.3: Percent of Terminees That Were School Dropouts 32
Table IV.4: Percent of Terminees That Were Not Working at Time of Application 33
Table IV.5: Percent of Terminees That Were Receiving Cash Welfare 33
Table IV.6: Percent of Terminees That Were Single Parents With a Dependent Child 33
Table IV.7: Percent of Terminees That Had at Least One Barrier to Employment 34
Table IV.8: Positive Termination Rate by Location 34
Table IV.9: Percent of Expenditures That Were Spent on Training Using the Existing Definition 34
Table IV.10: Comparison of Training Expenditures Using Existing and Proposed Definitions 35

## Figures

Figure I.1: States Where Native American Program Grantees Are Located 13
Figure II.1: Percent of Terminees That Were Adults 18
Figure II.2: Percent of Terminees That Were Female 19
Figure II.3: Percent of Terminees That Were School Dropouts 20
Figure II.4: Percent of Terminees That Were Not Working at Time of Application 21
Figure II.5: Percent of Terminees That Were Receiving Cash Welfare 22
Figure II.6: Percent of Terminees That Were Single Parents With a Dependent Child 23
Figure II.7: Percent of Terminees That Had at Least One Barrier to Employment 24
Figure II.8: Program Performance 26
Figure II.9: Positive Termination Rate by Location 27
Figure III.1: Percent of Expenditures Spent on Training Using the Existing Definition 29
Figure III.2: Comparison of Program Year 1991 Training Expenditures Using Existing and Proposed Definitions 30

### Abbreviations

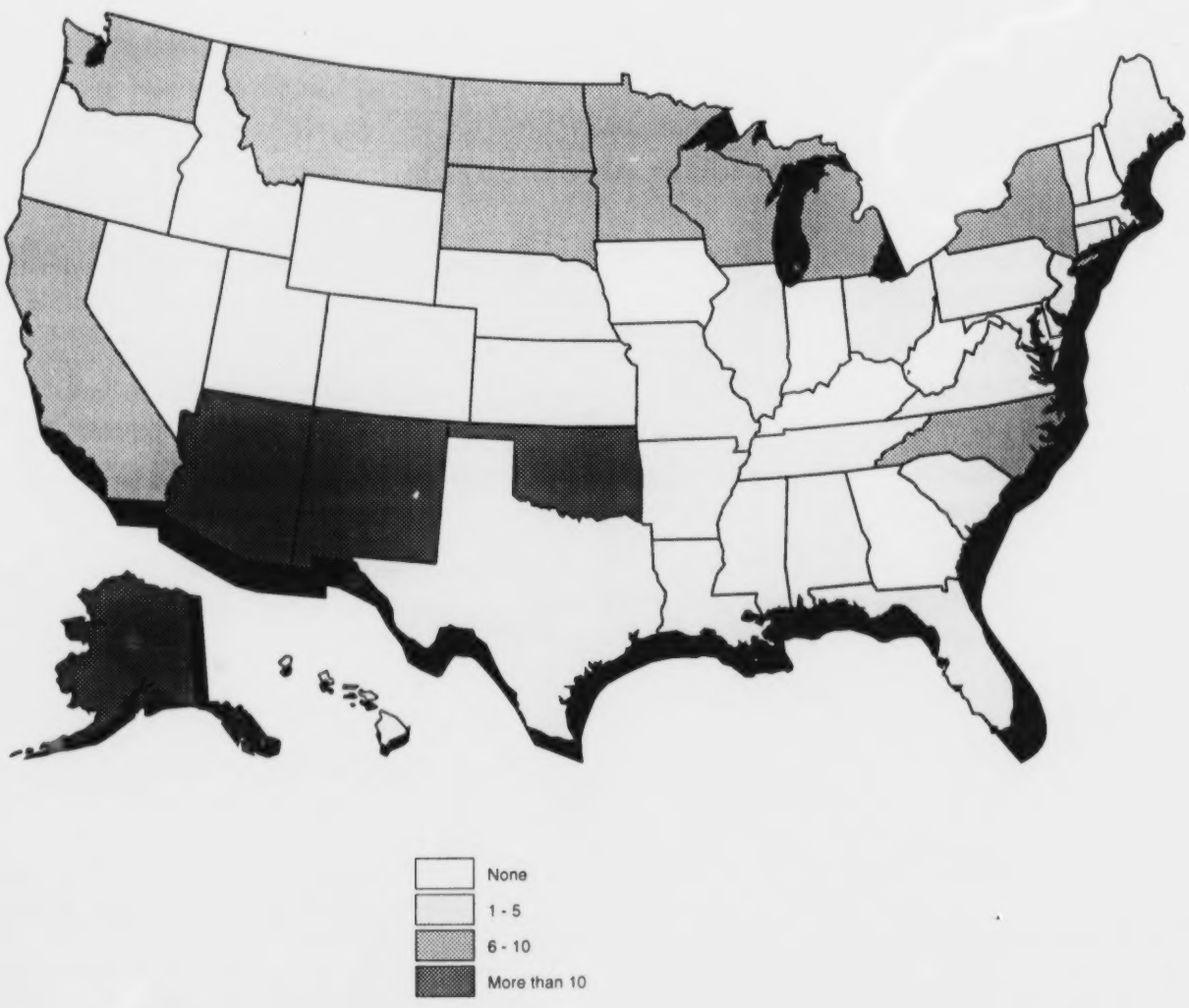
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|---|---|
| ETA | Employment and Training Administration |
| JTPA | Job Training Partnership Act |

# Scope and Methodology

We visited seven Native American grantees to obtain information on (1) their relationship with the Department of Labor, (2) the potential impact of draft regulations, and (3) the amount of funds spent on training. Those selected for site visits provided geographic dispersion, represented various types of grantees (reservation, urban, and rural), and varied in the amount of funds provided by JTPA title IV in program year 1992. Our sample was not intended to be representative of the program as a whole but to provide examples of how local programs operate under varying circumstances.

Employment and training services are provided to eligible Native Americans nationwide by 182 grantees. As shown in figure I.1, the highest concentration of grantees are in Oklahoma, Arizona, New Mexico, and Alaska. Conversely, Georgia, Iowa, Indiana, Kentucky, New Hampshire, and West Virginia did not have any grantees in 1992.

Figure I.1: States Where Native American Program Grantees Are Located



In selecting the grantees to be visited, we stratified the 182 Native American grantees into four groups according to the amount of JTPA title IV funds received in program year 1992, the most recent funding allocation:

1. Over $1 million (8 grantees)
2. $500,000 to $1 million (21 grantees)
3. $200,000 to $500,000 (59 grantees)
4. Under $200,000 (94 grantees)

We selected the seven grantees from among those receiving over $200,000 and in proportion to the number of grantees in each strata. (See table I.1.) That is, because two-thirds of the grantees receiving over $200,000 were in the third strata, we selected two-thirds of our sites (five) from that list of grantees. This approach resulted in us selecting 1 grantee from the 8 who received over $1 million; 1 from the 21 grantees who received between $500,000 and $1 million; and 5 from the 59 grantees who received between $200,000 and $500,000.

**Table I.1: Native American Program Grantees Selected for Site Visits**

| Grantee | Location | Program year 1992 JTPA title IV funds |
|---|---|---|
| Florida Governor's Council on Indian Affairs | Tallahassee, FL | $1,245,565 |
| Creek Nation of Oklahoma | Okmulgee, OK | 600,669 |
| Candelaria American Indian Council | Ventura, CA | 470,784 |
| Tigua Indian Tribe | El Paso, TX | 467,717 |
| San Carlos Apache Tribe | San Carlos, AZ | 319,753 |
| Blackfeet Tribal Business Council | Browning, MT | 260,236 |
| Mattaponi Pamunkey Monacan Consortium | King William, VA | 248,137 |

At each of the seven grantees, we met with program officials and reviewed the files for all or a sample of participants terminating (terminees) from the program in program year 1991 in order to gain a better understanding of how Native American job training programs serve their people. Overall, we reviewed client files for 522 of the 667 terminees. We also reviewed program year 1991 JTPA title IV expenditures to determine how much of this money grantees spent for training activities.

In addition to performing detailed work at seven grantees, we also met with representatives from three Native American grantees who received less than $200,000 in program year 1992, to obtain the views of smaller grantees. (See table I.2.)

**Table I.2: Other Native American Grantees Interviewed**

| Grantee | Location | Program year 1992 JTPA title IV funds |
|---|---|---|
| St. Regis Mohawk Tribe | Hogansburg, NY | $173,281 |
| Central Maine Indian Association, Inc. | Bangor, ME | 95,572 |
| Seminole Tribe of Florida | Hollywood, FL | 70,343 |

We met with officials from the Department of Labor and with the Chair and other members of the JTPA Native American Programs Advisory Committee. We also met with the Director of the Indian and Native American Employment and Training Coalition, a private, nonprofit information network linking Native American job training grantees.

We did our work between April 1993 and September 1993 in accordance with generally accepted government auditing standards.

# Participants, Services, and Outcomes of Seven Native American Grantees

## Background

The Congress established a separate employment and training program for Native Americans under title IV of JTPA because of the serious unemployment and economic conditions that exist among Native Americans and the compelling need for such services by members of this community. Native Americans eligible for the program include Indians, Alaskan Natives, and Hawaiian Natives who are economically disadvantaged, unemployed, or underemployed.

In 1990, the U.S. Bureau of the Census estimated the Native American population at nearly 2 million with Indians making up about 96 percent of that figure. Reservation and trust lands account for almost 2 percent of U.S. land in the lower 48 states and, in 1990, about one-third of the Indian population lived on these lands. Life on the reservation is much different from that experienced by the mainstream population. For example, the Bureau of Indian Affairs estimated that in 1991 unemployment on reservations was 45 percent. Nationwide, the unemployment rate in 1991 was under 7 percent. Half of the reservation residents live in poverty—more than triple the national rate. In addition, Indians on reservations have poorer health, shorter life expectancy, lower educational attainment, and the highest alcoholism rate of any racial or ethnic group in the United States.

## Overview of the Native American Program at Seven Locations

As described in appendix I, we visited seven Native American grantees and reviewed program records for a statistically valid sample of program year 1991 terminees (see table II.1). Our sample included Indians from 48 different tribes plus Hawaiian Natives. Grantees may serve eligible Native Americans regardless of tribal affiliation or membership in another Native American group.

**Table II.1: Program Year 1991 Terminees at Seven Grantees Visited**

| Grantee | Universe | Sample | Percent |
|---|---|---|---|
| A | 136 | 103 | 76 |
| B | 79 | 68 | 86 |
| C | 210 | 137 | 65 |
| D | 58 | 58 | 100 |
| E | 32 | 32 | 100 |
| F | 125 | 97 | 78 |
| G | 27 | 27 | 100 |
| **Total** | **667** | **522** | **78** |

## Participant Characteristics

Overall, our sample of program year 1991 terminees from the seven grantees visited showed that, on average,

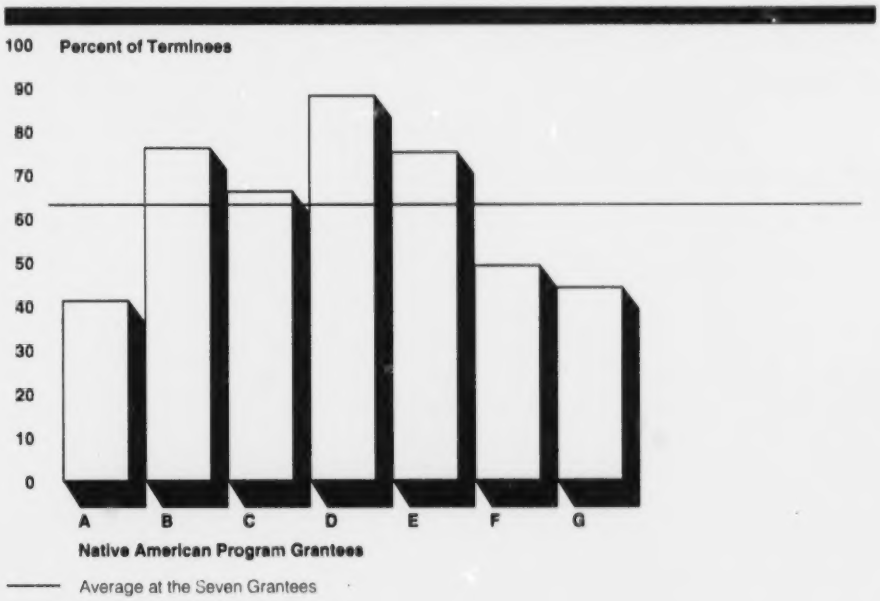
- 63 percent were adults (age 22 or older),
- 53 percent were female,
- 26 percent were school dropouts,
- 86 percent were either unemployed or not in the labor force at the time of application,
- 25 percent were receiving cash welfare,[1]
- 19 percent were single parents with a dependent child, and
- 57 percent had at least one barrier to employment.[2]

These characteristics varied substantially by grantee, as illustrated in figures II.1 through II.7. For example, at three grantees, less than half the program year 1991 terminees in our sample were adults, while at another grantee almost 90 percent were adults. (See fig II.1.)

[1]We included recipients of Aid to Families with Dependent Children, general relief, Supplemental Security Income, and Bureau of Indian Affairs/tribal assistance in this category.

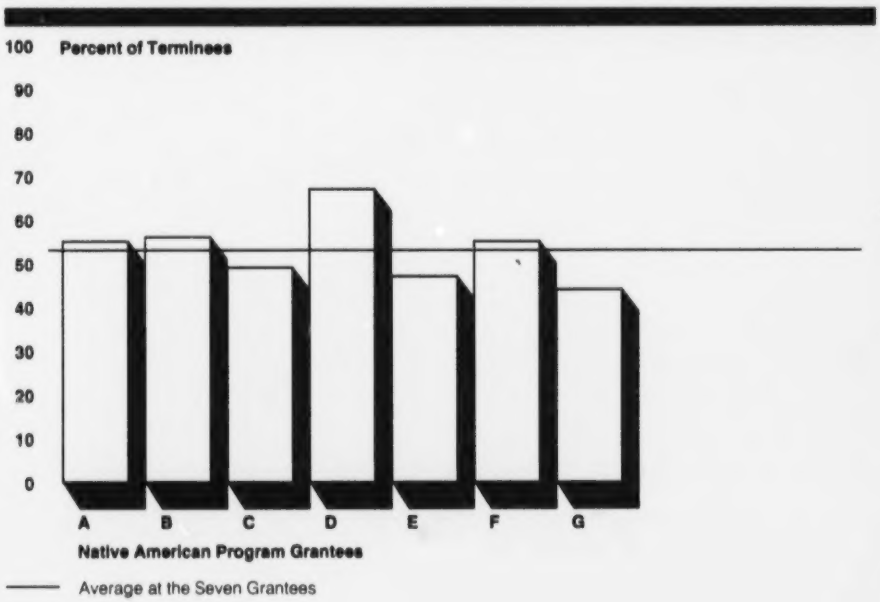
[2]Barriers to employment as specified in the 1992 JTPA amendments and Labor's draft regulations for the Native American program include high school dropout, cash welfare recipient, deficient in basic skills, substance abuser, disabled, homeless, offender, single parent with a dependent child, displaced homemaker, or veteran.

Figure II.1: Percent of Terminees That Were Adults



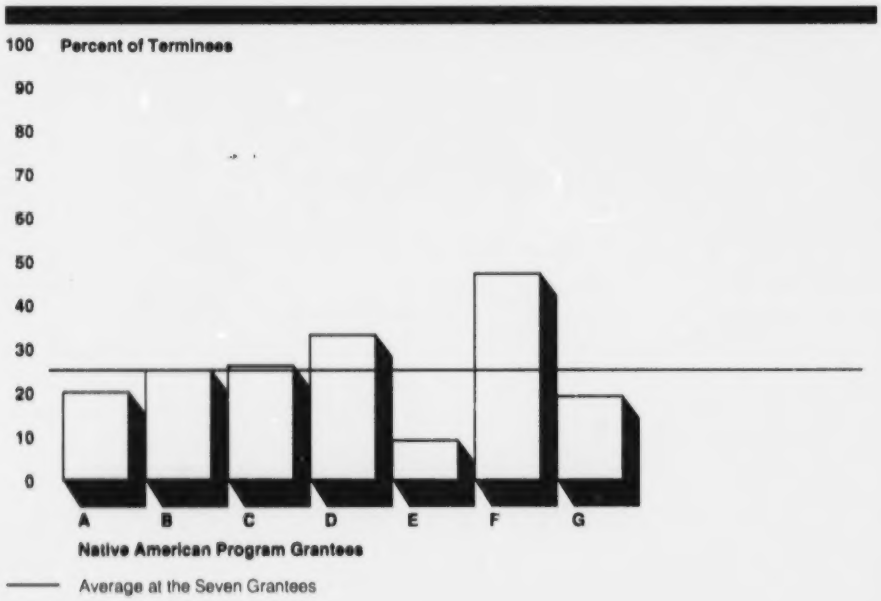

While not as dramatic, the range of female terminees in our sample varied from about 44 percent at one grantee to about two-thirds at another grantee. (See fig. II.2.)

**Figure II.2: Percent of Terminees That Were Female**



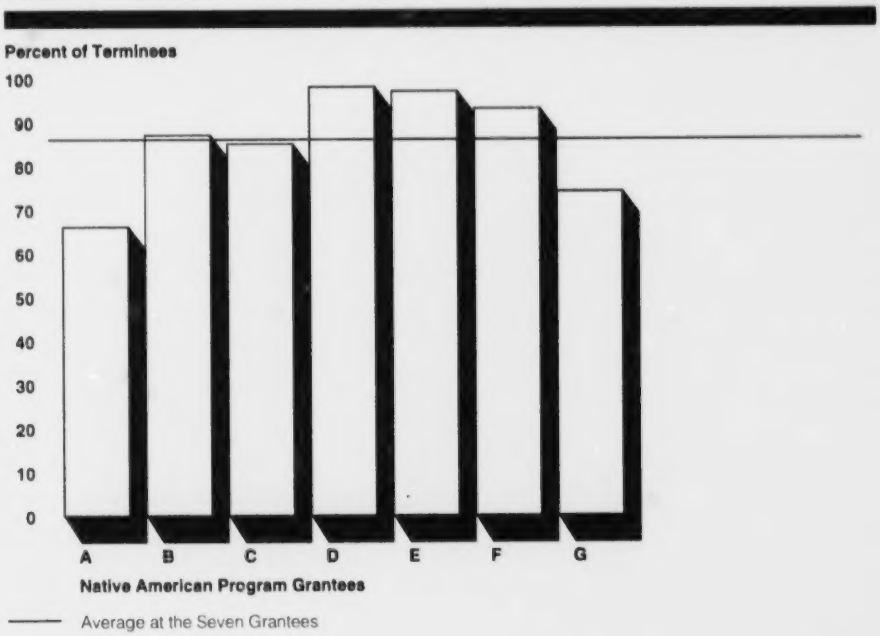

As shown in figure II.3, the percent of program year 1991 terminees in our sample that were school dropouts ranged from less than 10 percent at one location to almost half at another.

Figure II.3: Percent of Terminees That Were School Dropouts



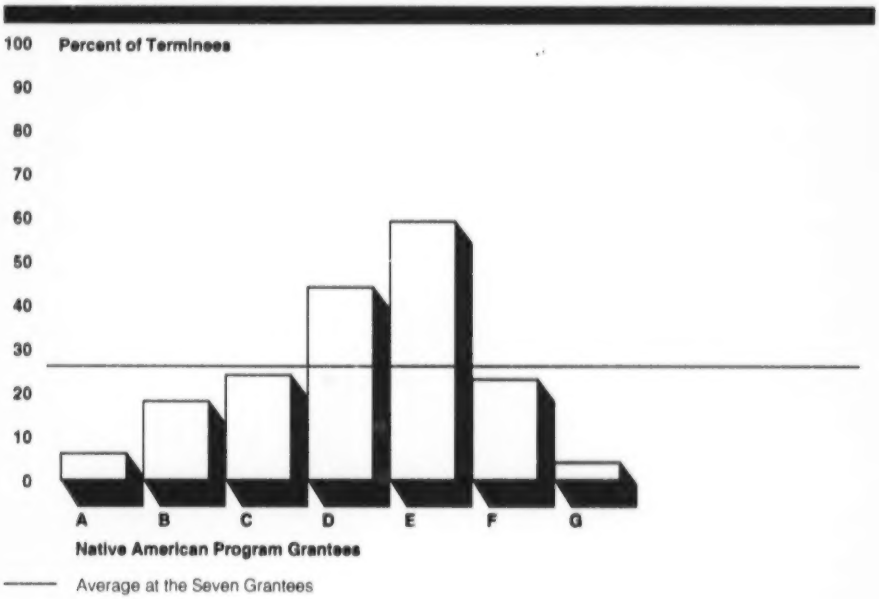

The percentage of sampled terminees not working at the time of application (either unemployed or not in the labor force) varied from about two-thirds at one grantee to almost all at two other locations. (See fig. II.4.)

**Figure II.4: Percent of Terminees That Were Not Working at Time of Application**



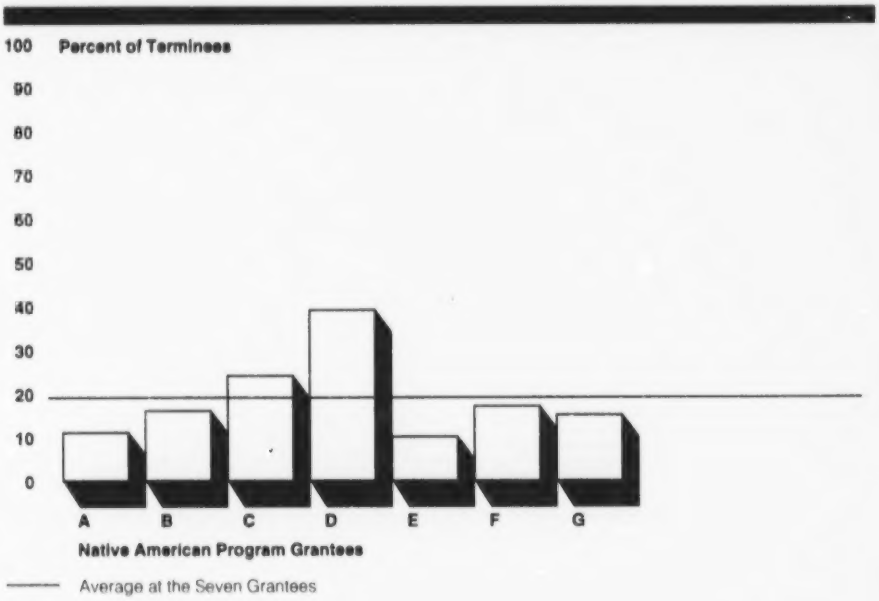

While about one-fourth of the program year 1991 terminees in our sample were receiving cash welfare when they applied to title IV for assistance, the number ranged from a low of about 5 percent at two grantees to about 60 percent at another location. (See fig. II.5.)

Figure II.5: Percent of Terminees That Were Receiving Cash Welfare



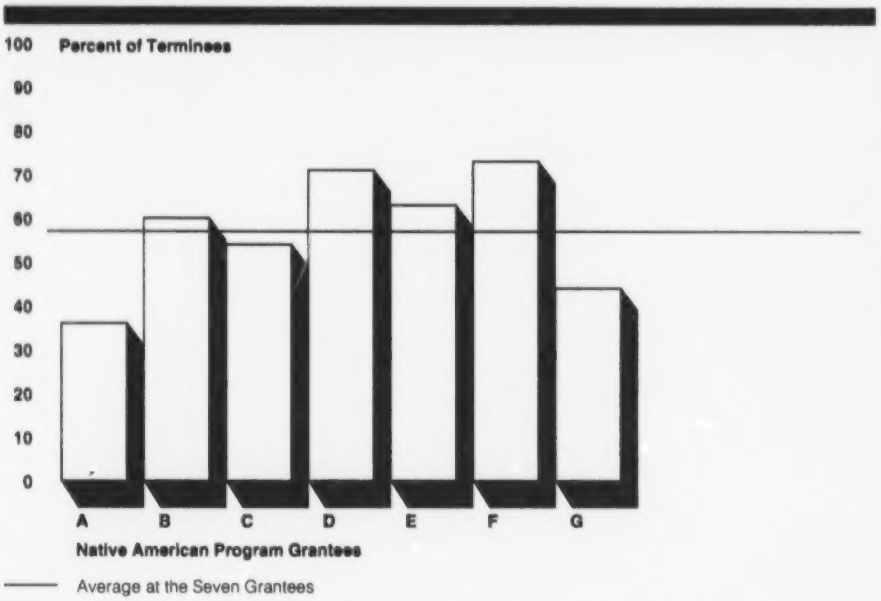

As shown in figure II.6, sampled terminees who were single parents with a dependent child ranged from 10 percent of the terminees at one grantee to almost 40 percent of the terminees at another location.

Figure II.6: Percent of Terminees That Were Single Parents With a Dependent Child




On average, 57 percent of the program year 1991 terminees at the seven locations we visited had at least one barrier to employment. This statistic is relevant because a point of controversy between Labor and the Native American community involved Labor's draft regulations, since withdrawn, which targeted program services to participants who, in addition to being otherwise eligible for the program, had to have at least one barrier to employment. If this had been required at the grantees we visited, over 40 percent of the clients sampled would not have received services. Native American grantees stated that they believe the program was established to help all eligible Native Americans, not just those with some arbitrary barriers. As shown in figure II.7, the percent of sampled terminees having at least one barrier to employment varied significantly among the grantees.

Figure II.7: Percent of Terminees That Had at Least One Barrier to Employment




## Services Provided

Native American program participants can receive a wide range of services to help them overcome barriers to employment. Allowable services include basic education, occupational classroom training, on-the-job training, work experience, community service employment, job search assistance, and supportive services. Our sample of program year 1991 terminees showed that, on average, at the seven locations we visited

- 6 percent received basic education,
- 29 percent received occupational classroom training,
- 4 percent received on-the-job training,
- 36 percent received work experience,
- 12 percent received community service employment,
- 19 percent received job search assistance as the only service, and
- 19 percent received supportive services.

As with participant characteristics, there were wide variances among grantees in the kinds of services provided. For example, while work experience and occupational classroom training were the most frequently used activities, significant variances existed among grantees. About 1 percent of the sampled terminees at one location received work experience, whereas over 80 percent of the terminees at two other

grantees received this activity. Similarly, at one grantee 3 percent of the terminees received occupational classroom training, while at two other grantees over 60 percent received this training.

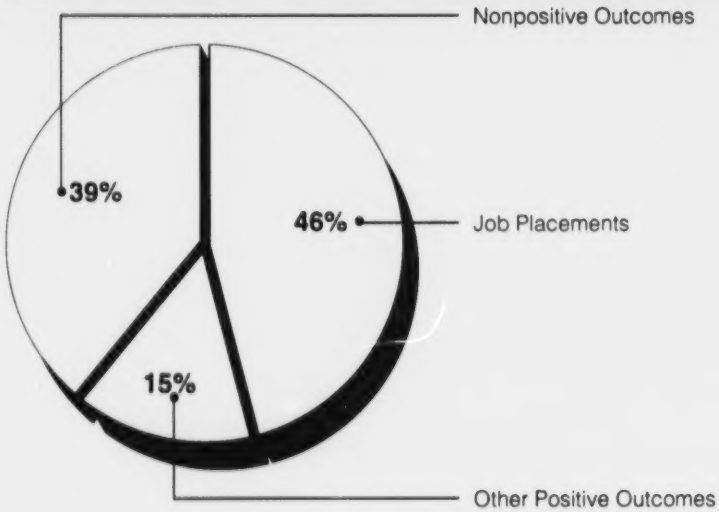
On average, not many program year 1991 terminees in our sample received basic education (6 percent), on-the-job training (4 percent), or community service employment (12 percent). However, some grantees provided these activities to a much greater extent. For example, one grantee provided basic education to 13 percent of the terminees, another grantee provided on-the-job training to about 15 percent of its terminees, while over 30 percent of a third grantee's terminees received community service employment.

One controversial issue between Native American grantees and Labor involved the proposed restriction on the use of job search assistance as a stand-alone service. While this was not an issue at three grantees we visited, where no clients received only job search assistance, at two other grantees it was the only service provided to more than half of the terminees.

## Outcomes Achieved

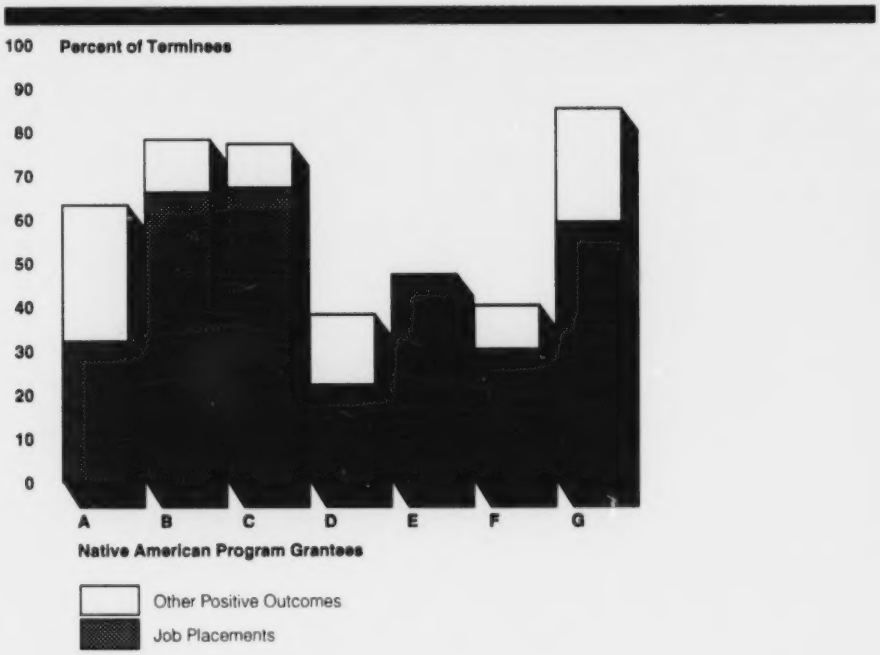
On average, about 61 percent of the program year 1991 terminees in our sample obtained a job or had some other positive outcome upon leaving the program. About 46 percent obtained jobs; while another 15 percent had other positive outcomes, such as completing a major level of education, returning to full-time school, entering the armed forces, or enrolling in another training program not funded by title IV. (See fig. II.8.)

Figure II.8: Program Performance




As shown in figure II.9, the positive termination rate for program year 1991 terminees at the seven grantees we visited ranged from 38 percent at one location to 85 percent at another.

Figure II.9: Positive Termination Rate by Location




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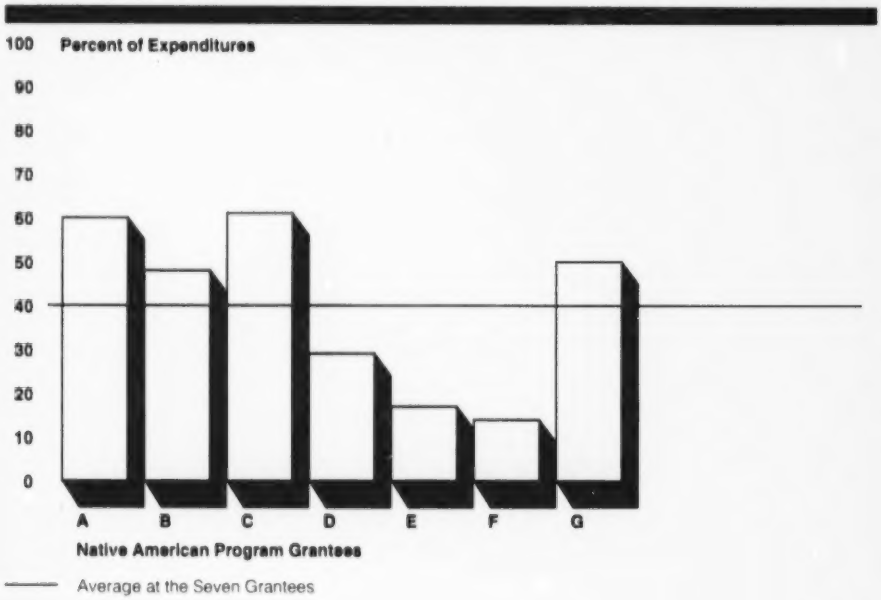
# Amount of JTPA Funds Spent on Training

The amount of funds the seven grantees we visited were spending on training varied depending on which one of two training definitions was used. Historically, Native American grantees have been able to charge program expenditures to one of four cost categories: administration, training, employment (such as work experience and community service employment), and other (including supportive services). Expenditures in the training category include costs associated with

- classroom training;
- on-the-job training;
- participant allowances;
- books and related fees;
- instructor salaries;
- classroom equipment and supplies; and
- assessment, counseling, and job search assistance.

Using this definition of allowable training costs, the seven grantees spent, on average, about 40 percent of their total program year 1991 expenditures for training. As shown in figure III.1, the amount spent on training ranged from 14 percent at one location to about 60 percent at two others.

Figure III.1: Percent of Expenditures Spent on Training Using the Existing Definition

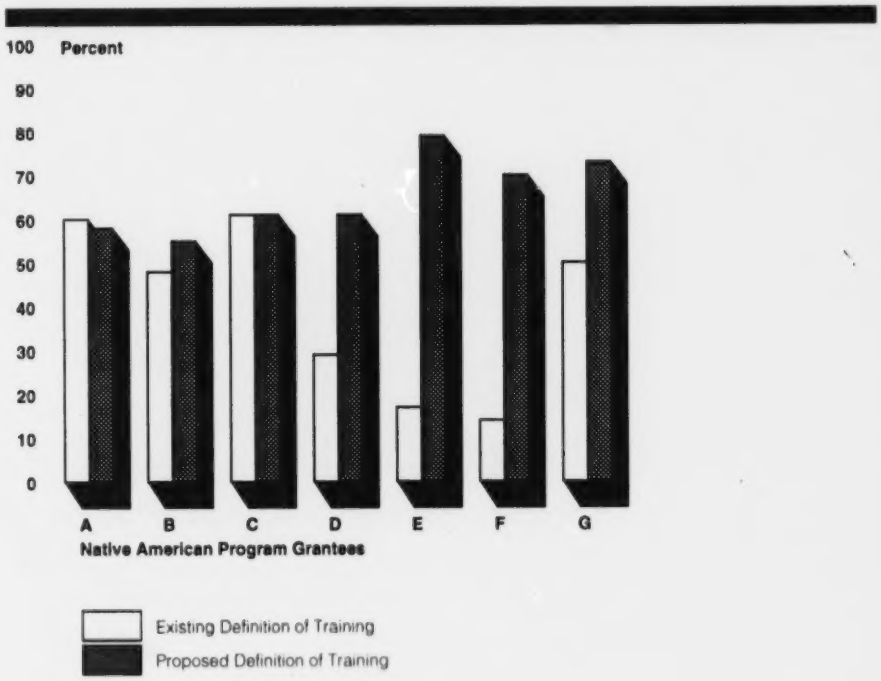



In the 1992 JTPA amendments, the Congress changed the definition of training for title II. Under the new definition, the training cost category includes costs associated with work experience and excludes costs associated with intake and job search assistance. Labor's draft regulations for the Native American program proposed making these program costs consistent with the new title II definition of training and included costs associated with community service employment under the training category as well.

Using this proposed definition of training, the seven grantees would have spent, on average, about 65 percent of their funds on training. The proposed definition results in higher training expenditures primarily because many Native American grantees provide work experience and/or community service employment. In some cases, the amount of training expenditures was significantly higher under the proposed definition. For example, two grantees that had spent less than 20 percent for training under the existing definition would have spent over 70 percent if the proposed definition had been applied. Figure III.2 shows training expenditures for each of the seven grantees using the existing and proposed definitions of training.

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**Figure III.2: Comparison of Program Year 1991 Training Expenditures Using Existing and Proposed Definitions**




Grantees contend that training expenditures will vary because participants have different program needs depending upon geographic and economic conditions. To meet the varying needs of their clients, Native American grantees say they require the flexibility to emphasize various program designs. For example, one grantee, located in the middle of the desert 120 miles from the nearest metropolitan area, put 81 percent of its terminees in work experience because of the lack of local employment opportunities. Another grantee, whose service area encompassed 400 miles of urban area, provided job search assistance as the sole activity to about 60 percent of its terminees. According to the latter grantee director, a major reason for emphasizing job search assistance was that the local Employment Service office preferred to send all Indians to the Native American program for assistance in finding jobs.

The differences in training costs can also be affected by the length of time clients receive services, as well as the intensity of those services. For example, one grantee enrolled 63 percent of its terminees in 2-year

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associate degree programs at a local community college because the grantee director did not believe in "quick-fix" solutions. Conversely, at another grantee, 55 percent of the terminees received job search assistance as the only activity. On average, these participants were enrolled for less than a week.

# Tables Supporting Bar Graphs in Report Text

**Table IV.1: Percent of Terminees That Were Adults (Data for fig. II.1)**

| Grantee | Percent of terminees |
|---|---|
| A | 41 |
| B | 76 |
| C | 66 |
| D | 88 |
| E | 75 |
| F | 49 |
| G | 44 |
| Average | 63 |

**Table IV.2: Percent of Terminees That Were Female (Data for fig. II.2)**

| Grantee | Percent of terminees |
|---|---|
| A | 55 |
| B | 56 |
| C | 49 |
| D | 67 |
| E | 47 |
| F | 55 |
| G | 44 |
| Average | 53 |

**Table IV.3: Percent of Terminees That Were School Dropouts (Data for fig. II.3)**

| Grantee | Percent of terminees |
|---|---|
| A | 20 |
| B | 25 |
| C | 26 |
| D | 33 |
| E | 9 |
| F | 47 |
| G | 19 |
| Average | 26 |

**Table IV.4: Percent of Terminees That Were Not Working at Time of Application (Data for fig. II.4)**

| Grantee | Percent of terminees |
|---|---|
| A | 66 |
| B | 87 |
| C | 85 |
| D | 98 |
| E | 97 |
| F | 93 |
| G | 74 |
| Average | 86 |

**Table IV.5: Percent of Terminees That Were Receiving Cash Welfare (Data for fig. II.5)**

| Grantee | Percent of terminees |
|---|---|
| A | 6 |
| B | 18 |
| C | 24 |
| D | 44 |
| E | 59 |
| F | 23 |
| G | 4 |
| Average | 25 |

**Table IV.6: Percent of Terminees That Were Single Parents With a Dependent Child (Data for fig. II.6)**

| Grantee | Percent of terminees |
|---|---|
| A | 11 |
| B | 16 |
| C | 24 |
| D | 39 |
| E | 10 |
| F | 17 |
| G | 15 |
| Average | 19 |

**Table IV.7: Percent of Terminees That Had at Least One Barrier to Employment (Data for fig. II.7)**

| Grantee | Percent of terminees |
|---|---|
| A | 36 |
| B | 60 |
| C | 54 |
| D | 71 |
| E | 63 |
| F | 73 |
| G | 44 |
| Average | 57 |

**Table IV.8: Positive Termination Rate by Location (Data for fig. II.9)**

| | Percent of terminees | |
|---|---|---|
| Grantee | Job | Other positive |
| A | 32 | 31 |
| B | 66 | 12 |
| C | 67 | 10 |
| D | 22 | 16 |
| E | 47 | 0 |
| F | 30 | 10 |
| G | 59 | 26 |

**Table IV.9: Percent of Expenditures That Were Spent on Training Using the Existing Definition (Data for fig. III.1)**

| Grantee | Percent of expenditures |
|---|---|
| A | 60 |
| B | 48 |
| C | 61 |
| D | 29 |
| E | 17 |
| F | 14 |
| G | 50 |
| Average | 40 |

**Table IV.10: Comparison of Training Expenditures Using Existing and Proposed Definitions (Data for fig. III.2)**

| Grantee | Percent of expenditures | |
|---|---|---|
| | Existing definition | Proposed definition |
| A | 60 | 58 |
| B | 48 | 55 |
| C | 61 | 61 |
| D | 29 | 61 |
| E | 17 | 79 |
| F | 14 | 70 |
| G | 50 | 73 |

# Comments From the Department of Labor

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

JAN 10 1994

Ms. Linda G. Morra
Director
Education and Employment Issues
Human Resources Division
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Ms. Morra:

In reply to your letter to Secretary Robert Reich requesting comments on the draft General Accounting Office report entitled Job Training Partnership Act: Labor Initiatives Under Title IV Improve Relations with Native Americans, I am enclosing the Department of Labor's response.

The Department appreciates the opportunity to comment on this report.

Sincerely,

Doug Ross

Enclosure

U.S. Department of Labor
Response to Draft GAO Report Entitled:

Job Training Partnership Act:
Labor Initiatives Under Title IV Improve
Relations with Native Americans

We appreciate the subject report and the efforts of the authors to articulate various perspectives on several issues associated with the Section 401 program. We understand that the report must be somewhat subjective in that it is essentially intended to present the views of the grantee community about its ongoing relationship with the Department of Labor (DOL). We welcome the opportunity to review the report and to provide additional comments.

The report states that "...because Labor recently agreed to withdraw the draft regulations, this issue is no longer relevant, and, therefore, is not addressed in this report." However, the authors then address the issue as it pertains to the relationship between DOL and the grantees and certain of the proposed regulations, particularly those changes modeled after Title II-A requirements for individual assessment and services plans. We suggest that GAO may have understated our attempts to gain the input of the grantee community in the regulations effort. In any case, as the authors correctly note, the proposed changes are no longer an issue with the grantee community since the package has been withdrawn. Assistant Secretary Ross has made the commitment to work with the new Council as partners in developing revised regulations that reflect mandatory changes only.

The GAO's letter of April 2, 1992, cited three objectives for this study, one of which was to "determine the extent to which Labor has implemented the changes to Title IV included in the Job Training Reform Amendments of 1992." Although the report does not address all of these requirements, DOL would like to take this opportunity to update our progress in this regard.

Pursuant to Section 401(j), we will create a single organizational unit within the Employment and Training Administration (ETA) that will have the responsibilities enumerated at that Section, and grantees will have a single point of contact, to the extent practicable. The Advisory Council has been duly chartered, and all of the members appointed are Native Americans. We are also in the process of recruiting for the individual to head the single organizational unit. The Vacancy Announcement for this position has been sent to all grantees, to a number of Federal agencies, and to other sources of Native American applicants. The Council will be involved in the selection process. Finally, although not called for in the Amendments, we have also awarded a special grant to a Section 401 grantee to assist us in the development and testing of

an electronic communications network. This will permit grantees and Council members to communicate instantly with DOL and each other.

It is important to respond directly to the observation in the subject report that "members of the Native American community have stated that they would like to see a return to an Indian Division as it existed within Labor in the 1970s and early 1980s. This Division had overall responsibility and authority for the Native American program and reported directly to the Assistant Secretary."

The management structure for ETA programs is intended to ensure the fiscal and programmatic integrity of federal funds. For example, grant and contracting authority are not delegated to program offices, nor are audit resolution and close-out responsibilities. This is consistent with GAO's own Report No. HRD-81-111, Labor Needs to Better Select, Monitor and Evaluate Its Employment and Training Awardees, page 30, which specifically recommended that DOL "separate ONP's (the former administering unit) grant and contract management functions from its program management functions. The award management function, including grant and contracting officer authority, should be independent of ONP." We agreed.

It would not be prudent to revert to the prior management structure appropriately criticized by GAO. In addition, please note that the subject report is in error in stating that the program reported directly to the Assistant Secretary at that time. This has never been the case.

Finally, although the "Participants, Services, and Outcomes" section of the report is of some interest, we would suggest that the sampling is too limited to draw generalized conclusions or to discern the quality or effectiveness of the services provided by the grantees visited. We are already well aware of the wide variances among grantees in the amounts of funds expended on training, as well as the fact that grantees serve substantially more high school graduates than dropouts. We had hoped for a more extensive and detailed review of the Section 401 program. In Program Year 1995, we propose to have an independent evaluation made of the program, and we will seek the assistance of the Native American community in this effort.

If you have questions regarding the above comments, please contact Paul A. Mayrand at 219-5500.

# Major Contributors to This Report

| | |
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